

Message Text

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45

ACTION EB-11

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CAB-09 CIAE-00 COME-00 DODE-00 INR-10 NSAE-00 RSC-01

FAA-00 L-03 IO-14 DRC-01 SPC-03 SSO-00 NSCE-00 INRE-00

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FM AMEMBASSY BONN

TO SECSTATE WASHDC IMMEDIATE 0388

USMISSION BERLIN IMMEDIATE

AMEMBASSY LONDON

AMEMBASSY PARIS

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E. O. 11652: N/A

TAGS: ETRN, GW, WB, UK, FR, US

SUBJECT: CIVAIR - BERLIN AIR FARES

REF: BONN 2269

1. SUMMARY: FRG HAS CONCURRED IN IGS FARE INCREASE EFFECTIVE FEBRUARY 15 DESPITE RELUCTANCE OF THE BERLIN SENAT AND FRG MINISTRY OF TRANSPORT. IGS CARRIERS HAVE BEEN AUTHORIZED TO ANNOUNCE FARE INCREASE THIS AFTER-NOON, FEBRUARY 12. TEXT OF AN AGREED ALLIED/FRG PRESS GUIDANCE HAS BEEN PREPARED AND IS TRANSMITTED BELOW.
2. FONOFF OFFICIAL JIRKA CALLED THE EMBASSY THIS MORNING, FEBRUARY 12, TO INFORM US THAT HE HAD SUCCEEDED IN OBTAINING THE RELUCTANT CONCURRENCE OF THE SENAT AND MINISTRY OF TRANSPORT IN THE IGS FARE INCREASE.
3. JIRKA THEN REITERATED THE FRG'S SERIOUS CONCERN REGARDING THE FINANCIAL POSITION OF THE BERLIN AIRPORT

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COMPANY (BFG) AND ASKED FOR OUR ESTIMATE AS TO HOW SOON

ALLIED CONSIDERATION OF INCREASED FEES AND RENTALS COULD BE CONCLUDED. ACTING USCAA REPEATED OUR PREVIOUSLY STATED POSITION THAT IT WAS NOT POSSIBLE TO PREDICT AT THIS TIME HOW LONG SUCH CONSIDERATION WOULD TAKE OR ITS EVENTUAL OUTCOME; BUT THAT THE MATTER WOULD RECEIVE PROMPT ATTENTION. USCAA RAISED AGAIN THE POSSIBILITY OF AN EARLIER DATE FOR THE FARE INCREASE. JIRKA RESPONDED THAT GIVEN THE DELICATELY POISED BUREAUCRATIC SITUATION WITHIN THE FRG ON THIS ISSUE, HE BELIEVED IT WOULD BE IN THE BEST INTERESTS OF ALL CONCERNED IF THE REVISED FARES WENT INTO EFFECT ON FEBRUARY 15.

4. BRITISH AND FRENCH CAA'S WERE INFORMED SIMULTANEOUSLY OF THE FRG'S DECISION AND IT WAS AGREED THAT THE AIRLINES WOULD BE AUTHORIZED TO ANNOUNCE THIS AFTERNOON THAT THE FARE INCREASE WOULD TAKE EFFECT MORNING OF FEBRUARY 15. (BRITISH CAA SAID THAT BEA, IF NOTIFIED BY MIDDAY TODAY, WOULD IN ANY EVENT BE UNABLE TO IMPLEMENT THE NEW FARES BEFORE THE 15TH.) PAA OFFICIAL GALLAGHER (IN RUNNETTE'S ABSENCE) AND MODERN AIR MANAGER MCGLON WERE INFORMED OF THE ABOVE SHORTLY BEFORE ONE P.M. LOCAL TIME. GALLAGHER SAID THAT PAA, BEA AND AIR FRANCE PUBLIC RELATIONS PERSONNEL WOULD MEET WITHIN THE HOUR TO PREPARE A COORDINATED PRESS STATEMENT ANNOUNCING THE FARE INCREASE FOR RELEASE AS SOON AS POSSIBLE THIS AFTERNOON.

5. THE TEXT OF THE FINAL VERSION OF AN AGREED ALLIED/FRG PRESS GUIDANCE STATEMENT (TO BE USED ON AN IF ASKED BASIS ONLY) FOLLOWS: QUOTE AN INCREASE OF AIR PASSENGER FARES AND CARGO RATES ON THE ROUTES BETWEEN BERLIN (WEST) AND THE FEDERAL REPUBLIC HAS BEEN APPROVED BY THE ALLIED EMBASSIES, TO BE EFFECTIVE ON FEBRUARY 15, 1974. DEPENDING UPON THE LENGTH OF THE ROUTE, THE INCREASE ON A ROUND TRIP TICKET IS BETWEEN DM 12 AND DM 24.

THE APPLICATIONS OF AIR FRANCE, BEA, PAN AMERICAN AND MODERN AIR TRANSPORT WERE BASED UPON LIMITED OFFICIAL USE

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INCREASES IN COSTS OF OPERATIONS (CHIEFLY IN FUEL AND OIL, PERSONNEL COSTS, HANDLING AND OTHER FEES) SINCE THE PRESENT FARES WERE ESTABLISHED.

AFTER A JOINT EXAMINATION OF THE APPLICATIONS OF THE AIRLINES WAS UNDERTAKEN BY THE ALLIED AUTHORITIES THE GERMAN AUTHORITIES WERE INFORMED AND CONSULTED. ALTHOUGH ALL SIDES WERE RELUCTANT TO RAISE THE COST OF

AIR TRANSPORT TO THE PUBLIC, IT WAS CONCLUDED THAT THE INCREASE IN FARES AND RATES WAS UNAVOIDABLE IN VIEW OF THE HIGHER COSTS TO THE AIRLINES AND THE NEED TO MAINTAIN AN EFFICIENT AND FREQUENT SERVICE ON THE ROUTES BETWEEN WEST BERLIN AND THE FEDERAL REPUBLIC. UNQUOTE. HILLENBRAND

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